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March 8, 2005

Hand Delivery

Honorable Gregory M. Sleet
United States District Court
844 King Street
Wilmington, DE 19801

Re: Magnequench International, Inc.
v. Sony Corp., *et al.*
Civil Action No. 04-135 GMS

Dear Judge Sleet:

Along with Scott M. Gettleson of Katten Muchin Zavis Rosenman in Chicago, I represent defendants TEAC Corporation and TEAC America, Inc. (collectively "TEAC") in this action. I write to confirm the discussion that Mr. Gettleson and I had earlier today with Cynthia of your staff. Specifically, we informed Cynthia that TEAC and Magnequench are very close to resolving their dispute. The negotiations between TEAC and Magnequench have now reached the point at which the only remaining issue is the language to be used, but not the concepts embodied, in two paragraphs of a formal written settlement agreement. It is highly likely that TEAC and Magnequench will successfully finalize their negotiations within the next few days.

In view of the advanced stage of the negotiations, and also in consideration of the fact that TEAC would incur substantial expense if its representatives were required to participate in the meetings that the Court has scheduled for the next two days, Cynthia confirmed to us that attendance by TEAC will not be required. We very much appreciate the Court's understanding

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and its willingness to enable TEAC to avoid substantial expense. We expect to file an appropriate stipulation of dismissal early next week.

Respectfully,

M. Duncan Grant
M. Duncan Grant *1dw*

cc: All Local Counsel (Hand Delivery)